



CARPET AMERICA RECOVERY EFFORT SM

Developing market-based solutions for the recycling & reuse of post-consumer carpet

CA CARPET STEWARDSHIP PROGRAM - **NOTICE TO PROGRAM PARTICIPANTS:** **PROCESSORS (Tier 1), MANUFACTURERS (Tier 2), COLLECTORS/ SORTERS (CSEs)**

NOVEMBER 2015

On behalf of CARE, this document serves as notice to program participant processors of CA post-consumer carpet regarding recent updates affecting the California Carpet Stewardship Program incentives and reporting.

1. REUSE Incentive – Subsidy Clarification

In September 2015, CARE adopted a clarification to the new Reuse Incentive Subsidy initiated earlier this year. The following carpet categories are now eligible to receive the Reuse subsidy:

- Carpet TILE, or
- Carpet BROADLOOM.

The Reuse incentive will be paid out at the same rate for either category: **10 cents/lb.**
Payment subsidies for REUSE of either material category is retroactive¹ to July 1, 2015 (beginning Q3).

Additional notes regarding REUSE incentives:

- Collector/Sorters as well as Processors are eligible² for both Carpet REUSE Incentives (TILE and BROADLOOM)
- Only Processors are eligible² to receive Carpet Tile RECYCLING Subsidy, in the event that the tile is collected and recycled by different parties.
- Participants must track carpet tile reuse, and carpet broadloom reuse separately to ensure it isn't confused with Type 1 recycling materials.
- Participants are required to maintain records to support all claims of reuse and to prevent any potential or appearance of impropriety.
- Participants are required to submit a list of all parties receiving sold/donated carpet tile and/or carpet broadloom material for reuse (greater than or equal to 500 pounds), with each subsidy request.
- Participants may be required to provide additional details and/or documentation regarding reuse donations/sales, sanitary conditions/actions taken by seller or recipient to facilitate reuse, and/or other to justification to ensure all materials were appropriately reused in full for which subsidy funds are being requested.

¹ If your company has documented reuse of broadloom donations/sale for the months of July or August, please contact CARE to make arrangements for Q3-2015 reporting adjustment consideration.

² All participants must complete proper paperwork including annual contract agreements, be a CARE member in good standing, adhere to program guidelines and appropriate business practices



CARPET AMERICA RECOVERY EFFORT SM
Developing market-based solutions for the recycling & reuse
of post-consumer carpet

**2. REMINDER – New Reporting FREQUENCY –
CHANGE from QUARTERLY to MONTHLY Reporting Period**

In an effort to improve timeliness and regularity of payments, the Program has adopted a new reporting process in which processors will be asked to submit data MONTHLY, rather than QUARTERLY. This policy was adopted in August 2015 to be phased in over the months of September and October, based on the following schedule:

Phase 1: September 30, 2015 – Submit monthly reports for the first two months of Q3 (July and August), respectively. This request will be reviewed and processed by CARE. Payments are anticipated to be issued approximately 45 days after the reporting period closure date (9/31/15), pending approval by CARE. – **This reporting cycle is now closed.**

Phase 2: October 31, 2015 – Submit monthly report for the last month of Q3 (September). Every third month will continue to undergo the same thorough internal review process. Checks will be issued following the SPC and SFOC quarterly meetings, generally within 45 days of the close of the reporting period closure date (10/31/15). – **This reporting cycle is now closed.**

Phase 3: Moving forward, monthly reports shall continue to be submitted to CARE no later than the last day of the month (30 days) following the reporting MONTHLY period. See reporting table on the following page. – **Current Reporting Cycle**

Internal quarterly reviews will occur during the reporting period appearing in bold above. Quarterly results are approved by the SPC and SFOC during the months of Dec, Mar, Jun and Sept. Quarterly results are presented to CalRecycle and posted on both the CalRecycle and CARE websites for public review. All company-specific data is confidential. Quarterly reports report all public data in aggregate.

We hope this adjustment will further assist you in maintaining a positive cash flow between reporting periods.



CARPET AMERICA RECOVERY EFFORT SM
 Developing market-based solutions for the recycling & reuse
 of post-consumer carpet

Reporting Period (Monthly)	Submission Due Date (30 days after the close of the reporting month)	Anticipated Payment Date (Generally 45 days after submission date)
July & August 2015	September 30, 2015	November 15, 2015
September 2015	October 31, 2015	December 15, 2015
October 2015	November 30, 2015	January 15, 2016
November 2015	December 31, 2015	February 15, 2016
December 2015	January 31, 2016	March 15, 2016
January 2016	February 29, 2016	April 15, 2016
February 2016	March 31, 2016	May 15, 2016
March 2016	April 30, 2016	June 15, 2016
April 2016	May 31, 2016	July 15, 2016
May 2016	June 30, 2016	August 15, 2016
June 2016	July 31, 2016	September 15, 2016
July 2016	August 31, 2016	October 15, 2016

3. REMINDER - New Reporting Sheets

CARE has updated and improved our reporting system. Three new sheets have been created for monthly reporting. Please complete all those that apply to you.

TIER 1 Processor (Processor)	GREEN
TIER 2 Processor (Manufacturer)	BLUE
Collector/Sorter (CSE)	PURPLE

Please note, beginning with the current period, in future periods monthly report requests will be directed to you via our third party accounting firm, HA&W. Please look out for notices from the following sender:

Kate Deagan | Manager, Benchmarking Services
 P: (770) 353-4790 | E: Kate.Deagan@hawcpa.com

4. REMINDER - New Submission Email

A new reporting filing email will also be in use, beginning with the September 30th submission. **Please direct** your monthly report submission to: CARE.CA.Reporting@hawcpa.com
Please copy your submission to: bjensen@carpetrecovery.org

END OF NOTICE

For additional information about this notice, please contact:
 Brennen Jensen, CA Program Manager at bjensen@carpetrecovery.org
 Executive Director, Bob Peoples at bpeoples@carpetrecovery.org